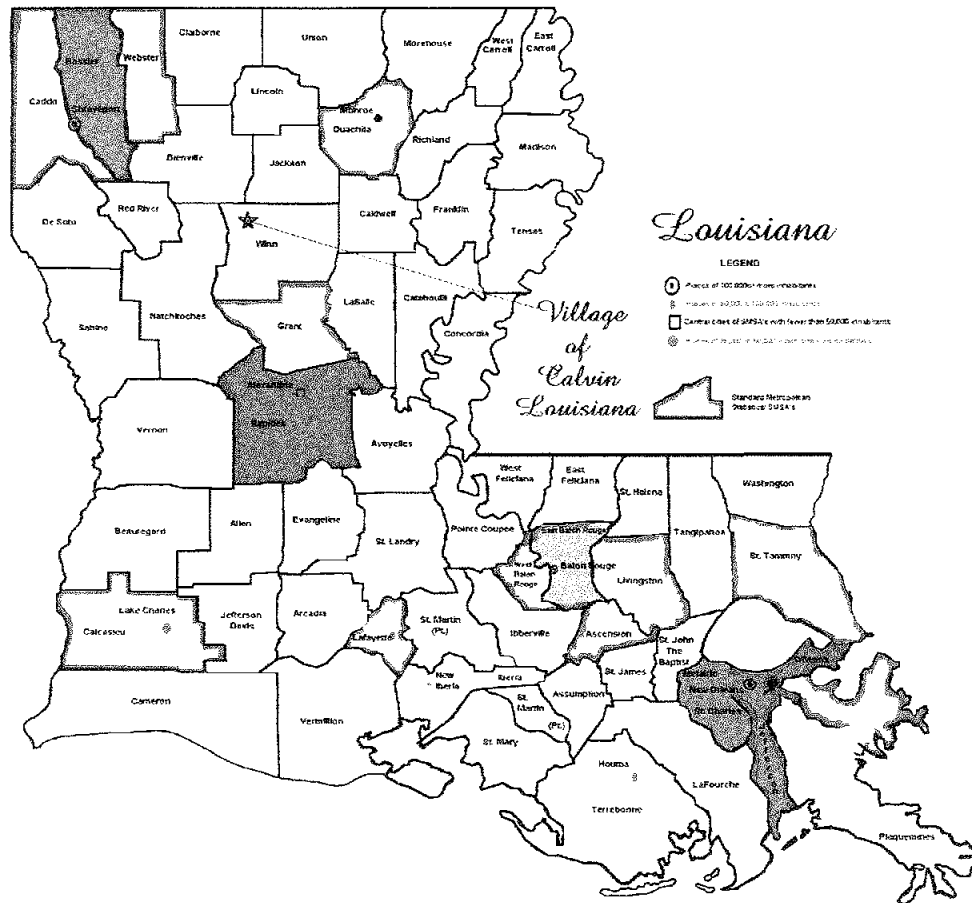


**VILLAGE OF CALVIN, LOUISIANA**

**Annual Financial Statements**

**JUNE 30, 2013**

## VILLAGE OF CALVIN, LOUISIANA



✦ The Village of Calvin was incorporated under the Lawrason Act in October 2, 1951. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**Village of Calvin, Louisiana**  
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**June 30, 2014**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Jeff Canerday, Mayor  
& Members of the Board of Aldermen  
Calvin, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and business type activities of the Village of Calvin, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and business type activities of the Village of Calvin, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2014, on our consideration of the Village of Calvin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Calvin's internal control over financial reporting and compliance.

*The Vercher Group*

Jena, Louisiana  
May 16, 2014

# Village of Calvin

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Calvin, Louisiana 71410  
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## MANAGEMENT'S DISCUSSION & ANALYSIS

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As management of the Village, we offer readers of the Village of Calvin's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$65,329 (*net position*). This is a \$4,583 increase from last year.
- The Village had total revenue of \$12,080, in which \$8,347 came from fees and charges. This is a \$1,774 decrease from last year's revenues, mainly due to a decrease in taxes in the amount of \$1,330.
- The Village had total expenditures of \$52,808, which is a \$1,000 increase from last year. This increase is due mainly to an increase in other administrative expenses in the amount of \$7,258.

#### *Enterprise Funds*

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,868,907 (*net position*). This is a \$965,348 increase from last year.
- The Village had total revenue of \$1,010,767, including operating revenues of \$72,869, non-operating revenues of \$302, and capital contributions of \$937,596. This is a \$475,833 increase from last year, mainly due to an increase in capital contributions in the amount of \$479,890.
- The Village had total operating expenses of \$64,126 and total transfers out in the amount of \$48,800. Total operating expenses increased by \$10,328 compared to last year, mainly due to an increase in maintenance and repair in the amount of \$10,030.

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## MD&A

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our accountant has provided no assurance in his Independent Accountant's Report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the Independent Accountant's Report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### Reporting the Village's Most Significant Funds

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

## MD&A

### GOVERNMENTAL FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2013:

	2012	2013	% Change
<b>Assets</b>			
Cash & Investments	\$ 421	\$ 7,228	1,616.9
Receivables (Net)	47	-0-	-100.0
Prepaid Assets	1,324	-0-	-100.0
Capital Assets, Net of Accumulated Depreciation	60,975	58,810	-3.6
<b>Total Assets</b>	<u>62,767</u>	<u>66,038</u>	5.2
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	2,021	709	64.9
<b>Total Liabilities</b>	<u>2,021</u>	<u>709</u>	64.9
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	60,975	58,810	-3.6
Unrestricted	(229)	6,519	2,946.7
<b>Total Net Position</b>	<u>\$ 60,746</u>	<u>\$ 65,329</u>	7.5

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2013:

	2012	2013	% Change
<b>Revenues</b>			
Fees & Charges	\$ 9,677	\$ 8,347	-13.7
Taxes	3,432	3,733	8.8
Other Income	745	-0-	-100.0
<b>Total Revenues</b>	<u>13,854</u>	<u>12,080</u>	-12.8
<b>Expenditures</b>			
Personnel Expense	23,878	16,669	-30.2
Other Administrative	12,169	19,427	59.6
Utilities	7,423	7,616	2.6
Repairs & Maintenance	8,338	9,096	9.1
<b>Total Expenditures</b>	<u>51,808</u>	<u>52,808</u>	1.9
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(37,954)</u>	<u>(40,728)</u>	7.3
<b>Other Financing Sources (Uses)</b>			
Transfers In (Out)	39,769	48,800	22.7
<b>Total Other Financing Sources (Uses)</b>	<u>39,769</u>	<u>48,800</u>	22.7
<b>Net Change in Fund Balance</b>	1,815	8,072	344.7
<b>Prior Period Adjustment</b>	(18,550)	(1,324)	-92.9
<b>Fund Balances—Beginning</b>	16,506	(229)	-101.4
<b>Fund Balances—Ending</b>	<u>\$ (229)</u>	<u>\$ 6,519</u>	2,946.7



## MD&A

### ENTERPRISE FUNDS

The following table represents a Comparative Statement of Net Position as of June 30, 2013:

	2012	2013	% Change
<b>Assets</b>			
Cash & Investments	\$ 130,015	\$ 148,598	14.3
Receivables (Net)	249,141	24,347	-90.2
Prepaid Assets	51	-0-	-100.0
Capital Assets, Net of Accumulated Depreciation	767,009	1,753,153	128.6
<b>Total Assets</b>	<u>1,146,216</u>	<u>1,926,098</u>	68.0
<b>Liabilities &amp; Net Position</b>			
Accounts, Salaries, & Other Payables	242,657	57,191	-76.4
<b>Total Liabilities</b>	<u>242,657</u>	<u>57,191</u>	-76.4
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	767,009	1,714,454	123.5
Unrestricted	136,550	154,453	13.1
<b>Total Net Position</b>	<u>\$ 903,559</u>	<u>\$ 1,868,907</u>	106.8

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2013:

	2012	2013	% Change
<b>Operating Revenues</b>			
Charges for Services	\$ 77,211	\$ 72,869	-5.6
Operating Grant	-0-	-0-	0.0
<b>Total Operating Revenues</b>	<u>77,211</u>	<u>72,869</u>	-5.6
<b>Operating Expenses</b>			
Office Expense & Supplies	3,189	7,723	142.2
Maintenance & Repair	6,380	16,410	157.2
Depreciation	30,775	23,462	-23.8
Other Operating	4,405	8,457	92.0
Utilities	9,049	8,074	-10.8
<b>Total Operating Expenses</b>	<u>53,798</u>	<u>64,126</u>	19.2
<b>Operating Income (Loss)</b>	<u>23,413</u>	<u>8,743</u>	-62.7
<b>Non-Operating Revenues (Expenses)</b>			
Interest Income	17	302	1,676.5
<b>Total Non-Operating Revenues (Expenses)</b>	<u>17</u>	<u>302</u>	1,676.5
<b>Income (Loss) Before Contributions &amp; Transfers</b>	23,430	9,045	138.6
<b>Transfers In/(Out)</b>	(39,769)	(48,800)	22.7
<b>Capital Contributions</b>	<u>457,706</u>	<u>937,596</u>	104.9
<b>Change In Net Position</b>	441,367	897,841	103.4
<b>Prior Period Adjustment</b>	612	(3,294)	-638.2
<b>Total Net Position – Beginning</b>	461,580	903,559	95.8
<b>Total Net Position – Ending</b>	<u>\$ 903,559</u>	<u>\$ 1,798,106</u>	99.0

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## MD&A

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### CAPITAL ASSETS

#### Governmental Fund

At June 30, 2013, the Village had \$58,810 invested in capital assets, including the following:

Capital Assets at Year-End		
	2012	2013
Capital Assets *	\$ 196,591	\$ 196,591
Accumulated Depreciation	(135,616)	(137,781)
<b>Total</b>	<b>\$ 60,975</b>	<b>\$ 58,810</b>

\* This amount includes Land in the amount of \$7,162 that is not being depreciated.

#### Enterprise Fund

At June 30, 2013, the Village had \$1,753,153 invested in capital assets, including the following:

Capital Assets at Year-End		
	2012	2013
Water Capital Assets *	\$ 1,173,503	\$ 2,183,109
Sewer Capital Assets *	488,313	488,313
Water Accumulated Depreciation	(630,107)	(641,615)
Sewer Accumulated Depreciation	(264,700)	(276,654)
<b>Total</b>	<b>\$ 767,009</b>	<b>\$ 1,753,153</b>

\*These amounts include Land in the amount of \$16,794 and Construction in Progress in the amount of \$1,009,607 that are not being depreciated.

### CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show that the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Jeff Canerday at the Town Hall, phone number (318)727-9276.

## **Basic Financial Statements**

**Village of Calvin, Louisiana**  
**Statement of Net Position**  
**June 30, 2013**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL</b>	<b>BUSINESS- TYPE</b>	
	<b>ACTIVITIES</b>	<b>ACTIVITIES</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 7,228	\$ 119,232	\$ 126,460
Investments	-0-	29,366	29,366
Receivables, Net of Allowances	-0-	7,733	7,733
Grants Receivable	-0-	16,614	16,614
Prepaid Assets	-0-	-0-	-0-
<b>TOTAL CURRENT ASSETS</b>	<u>7,228</u>	<u>172,945</u>	<u>180,173</u>
<b>NON-CURRENT ASSETS</b>			
Capital Assets, Net of Accumulated Depreciation	58,810	1,753,153	1,811,963
<b>TOTAL NON-CURRENT ASSETS</b>	<u>58,810</u>	<u>1,753,153</u>	<u>1,811,963</u>
<b>TOTAL ASSETS</b>	<u>66,038</u>	<u>1,926,098</u>	<u>1,922,136</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	709	1,878	2,587
Contractors Payable	-0-	16,614	16,614
<b>TOTAL CURRENT LIABILITIES</b>	<u>709</u>	<u>18,492</u>	<u>19,201</u>
<b>NON-CURRENT LIABILITIES</b>			
Capital Project Loan-Water	-0-	109,500	109,500
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>109,500</u>	<u>109,500</u>
<b>TOTAL LIABILITIES</b>	<u>709</u>	<u>127,992</u>	<u>128,701</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	58,810	1,643,653	1,702,463
Unrestricted	6,519	154,453	160,972
<b>TOTAL NET POSITION</b>	<u>\$ 65,329</u>	<u>\$ 1,798,106</u>	<u>\$ 1,863,435</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2013**

	PROGRAM REVENUES			NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities
<b>GOVERNMENTAL ACTIVITIES</b>						
General Government	\$ (54,973)	\$ 8,347	\$ -0-	\$ (46,626)	\$ (46,626)	\$ (46,626)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>(54,973)</u>	<u>8,347</u>	<u>-0-</u>	<u>(46,626)</u>	<u>(46,626)</u>	<u>(46,626)</u>
<b>BUSINESS TYPE ACTIVITIES</b>						
Sewer	(15,859)	17,033	-0-	1,174		1,174
Water	(48,267)	55,836	937,596	945,165		945,165
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	<u>(64,126)</u>	<u>72,869</u>	<u>937,596</u>	<u>946,339</u>		<u>946,339</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ (119,099)</u>	<u>\$ 81,216</u>	<u>\$ 937,596</u>	<u>\$ 899,713</u>		<u>\$ 899,713</u>
<b>GENERAL REVENUES</b>						
Taxes					3,733	3,733
Interest Revenue					-0-	302
Other Income					-0-	-0-
<b>TOTAL GENERAL REVENUES</b>					<u>3,733</u>	<u>4,035</u>
<b>TRANSFERS IN/(OUT)</b>					<u>48,800</u>	<u>(48,800)</u>
<b>CHANGE IN NET POSITION</b>					<u>5,907</u>	<u>903,748</u>
<b>PRIOR PERIOD ADJUSTMENT</b>					<u>(1,324)</u>	<u>(3,294)</u>
<b>NET POSITION - BEGINNING</b>					<u>60,746</u>	<u>903,559</u>
<b>NET POSITION - ENDING</b>					<u>\$ 65,329</u>	<u>\$ 1,798,106</u>
						<u>\$ 1,863,435</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Balance Sheet, Governmental Funds**  
**June 30, 2013**

	<b>GENERAL FUND</b>
<b>ASSETS</b>	
Cash & Cash Equivalents	\$ 7,228
Receivables, Net of Allowances	-0-
Prepaid Assets	-0-
<b>TOTAL ASSETS</b>	<u>7,228</u>
<b>LIABILITIES</b>	
Accounts, Salaries, & Other Payables	<u>709</u>
<b>TOTAL LIABILITIES</b>	<u>709</u>
<b>FUND BALANCE</b>	
Non-spendable	-0-
Unassigned	<u>6,519</u>
<b>TOTAL FUND BALANCE</b>	<u>6,519</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 7,228</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2013**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)		\$ 6,519
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	Capital Assets 196,591 Accum. Depr. (137,781)	
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		58,810
Other		-0-
Net Position of Governmental Activities (Statement A)		\$ <u>65,329</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2013**

	<b>GENERAL FUND</b>
<b>REVENUES</b>	
Fees & Charges	\$ 8,347
Taxes	3,733
Other Income	-0-
<b>TOTAL REVENUES</b>	<u>12,080</u>
<b>EXPENDITURES</b>	
Personnel Expense	16,669
Other Administrative	19,427
Utilities	7,616
Repairs & Maintenance	9,096
<b>TOTAL EXPENDITURES</b>	<u>52,808</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	<u>(40,728)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers In (Out)	48,800
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>48,800</u>
<b>NET CHANGE IN FUND BALANCE</b>	8,072
<b>PRIOR PERIOD ADJUSTMENT</b>	(1,324)
<b>FUND BALANCES—BEGINNING</b>	(229)
<b>FUND BALANCES—ENDING</b>	<u>\$ 6,519</u>

The accompanying notes are an integral part of this statement.



**Village of Calvin, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2013**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	8,072
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

(2,165)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

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-0-

Changes in Net Position of Governmental Activities, Statement B	\$	<u>5,907</u>
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The accompanying notes are an integral part of this statement

**Village of Calvin, Louisiana**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2013**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 8,164	\$ 111,068	\$ 119,232
Investments	-0-	29,366	29,366
Receivables, Net of Allowances	1,363	6,370	7,733
Grants Receivable	-0-	16,614	16,614
<b>TOTAL CURRENT ASSETS</b>	<u>9,527</u>	<u>163,418</u>	<u>172,945</u>
<b>NON-CURRENT ASSETS</b>			
Capital Assets, Net of Accumulated Depreciation	211,659	1,541,494	1,753,153
<b>TOTAL NON-CURRENT ASSETS</b>	<u>211,659</u>	<u>1,541,494</u>	<u>1,753,153</u>
<b>TOTAL ASSETS</b>	<u>221,186</u>	<u>1,704,912</u>	<u>1,926,098</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	135	1,743	1,878
Contractors Payable	-0-	16,614	16,614
<b>TOTAL CURRENT LIABILITIES</b>	<u>135</u>	<u>18,357</u>	<u>18,492</u>
<b>NON-CURRENT LIABILITIES</b>			
Capital Project Loan-Water	-0-	109,500	109,500
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>109,500</u>	<u>109,500</u>
<b>TOTAL LIABILITIES</b>	<u>135</u>	<u>127,857</u>	<u>127,992</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	211,659	1,431,994	1,643,653
Unrestricted	9,392	145,061	154,453
<b>TOTAL NET POSITION</b>	<u>\$ 221,051</u>	<u>\$ 1,577,055</u>	<u>\$ 1,798,106</u>

The accompanying notes are an integral part of this statement

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2013**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 17,033	\$ 55,836	\$ 72,869
<b>TOTAL OPERATING REVENUES</b>	<u>17,033</u>	<u>55,836</u>	<u>72,869</u>
<b>OPERATING EXPENSES</b>			
Office Expense & Supplies	-0-	7,723	7,723
Maintenance & Repair	1,406	15,004	16,410
Depreciation	11,954	11,508	23,462
Other Operating	-0-	8,457	8,457
Utilities	2,499	5,575	8,074
<b>TOTAL OPERATING EXPENSES</b>	<u>15,859</u>	<u>48,267</u>	<u>64,126</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,174</u>	<u>7,569</u>	<u>8,743</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	4	298	302
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>4</u>	<u>298</u>	<u>302</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	1,178	7,867	9,045
<b>TRANSFERS IN/(OUT)</b>	(20,518)	(28,282)	(48,800)
<b>CAPITAL CONTRIBUTIONS</b>	<u>-0-</u>	<u>937,596</u>	<u>937,596</u>
<b>CHANGE IN NET POSITION</b>	(19,340)	917,181	897,841
<b>PRIOR PERIOD ADJUSTMENT</b>	-0-	(3,294)	(3,294)
<b>TOTAL NET POSITION – BEGINNING</b>	240,391	663,168	903,559
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 221,051</u>	<u>\$ 1,577,055</u>	<u>\$ 1,798,106</u>

The accompanying notes are an integral part of this statement.

**Village of Calvin, Louisiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2013**

	<b>BUSINESS TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUNDS</b>		
	<b>SEWER FUND</b>	<b>WATER FUND</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers & Users	\$ 17,296	\$ 280,367	\$ 297,663
Payments to Suppliers	(3,883)	(260,895)	(264,778)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>13,413</u>	<u>19,472</u>	<u>32,885</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers To Other Funds	(20,518)	(28,282)	(48,800)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(20,518)</u>	<u>(28,282)</u>	<u>(48,800)</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Capital Grants Received	-0-	937,596	937,596
Capital Outlay	-0-	(1,009,607)	(1,009,607)
Loan Proceeds	-0-	109,500	109,500
Reduction of Capital Assets	-0-	-0-	-0-
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>-0-</u>	<u>37,489</u>	<u>37,489</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	4	298	302
(Increase) Decrease in Investments	-0-	(289)	(289)
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>4</u>	<u>9</u>	<u>13</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	(7,101)	28,688	21,587
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>15,265</u>	<u>82,380</u>	<u>97,645</u>
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>8,164</u>	<u>111,068</u>	<u>119,232</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	1,174	7,569	8,743
Depreciation Expense	11,954	11,508	23,462
(Increase) Decrease in Accounts Receivable	263	224,531	224,794
(Increase) Decrease in Prepaid Assets	18	33	51
Increase (Decrease) in Accounts Payables	4	(185,470)	(185,466)
<b>TOTAL ADJUSTMENTS</b>	<u>12,239</u>	<u>50,602</u>	<u>62,841</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 13,413</u>	<u>\$ 58,171</u>	<u>\$ 71,584</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic  
Financial Statements**

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Calvin was incorporated under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Village of Calvin conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

#### Impact of Recently Issued Accounting Principles

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASBS No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 62 does not have any impact on the Authority's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASBS No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes the following elements: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. This Statement is effective for periods beginning after December 15, 2011, and has been implemented in fiscal year 2012. The adoption of GASBS No. 63 does not have any impact on the Authority's financial statements.

The following is a summary of certain significant accounting policies:

#### A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and

## **Village of Calvin, Louisiana**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED**

intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

The municipality reports the following major governmental funds:

- The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

- Enterprise Fund-Water and Sewer

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

#### C. FIXED ASSETS

For the year ended June 30, 2013, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Buildings	40
Water System	40
Sewer System	40
Equipment	5-10



## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

#### D. CASH & INVESTMENTS

All cash and investments (CD's over 90 days) are reported at cost and are on deposit at federally insured banks.

It is the Village's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

- *Category 1* – Insured or collateralized with securities held by the Village or by its agent in the Village's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name.
- *Category 3* – Uncollateralized.

All cash and investments were fully secured at year end.

#### E. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

#### F. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

At June 30, 2013, no reserve for bad debts was required in the general fund since the estimated uncollectible receivables outstanding were considered immaterial. At June 30, 2013 the receivables were as follows:

	Enterprise Fund		Governmental Fund
	Water Fund	Sewer Fund	General Fund
Tax & License	\$ -0-	\$ -0-	\$ -0-
Grants	16,614	-0-	-0-
Customer	6,705	1,434	-0-
Allowance for Bad Debts	(335)	(72)	-0-
<b>Total</b>	<b>\$ 22,984</b>	<b>\$ 1,362</b>	<b>\$ -0-</b>

# Village of Calvin, Louisiana

## NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

### G. COMPENSATED ABSENCES

The Village has no compensated absence policy.

### (2) AD VALOREM TAXES

The Village levies taxes on real and business personal property located within its boundaries. The Village utilizes the services of the Winn Parish Tax Assessor to assess the property values and prepare the Village's property tax roll. The Village bills and collects its own property taxes.

<b>Property Tax Calendar</b>	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

Ad Valorem Taxes are broken down as follows:

	<b>Mills</b>
General Alimony	<u>5.33</u>

### (3) FIXED ASSETS

#### PROPERTY ENTERPRISE FUND: PLANT & EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2013, is as follows:

	<b>Balance 6-30-2012</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6-30-2013</b>
<b>Water</b>				
Distribution System & Equipment*	\$ 1,173,503	\$ 1,009,607	\$ -0-	\$ 2,183,110
Accumulated Depreciation	(630,107)	(11,508)	-0-	(641,615)
<b>Net</b>	<u>543,396</u>	<u>998,099</u>	<u>-0-</u>	<u>1,541,495</u>
<b>Sewer</b>				
Plant & Equipment*	488,313	-0-	-0-	488,313
Accumulated Depreciation	(264,700)	(11,954)	-0-	(276,654)
<b>Net</b>	<u>\$ 223,613</u>	<u>\$ (11,954)</u>	<u>\$ -0-</u>	<u>\$ 211,659</u>

\*Water - Land in the amount of \$7,597 and Construction in Progress in the amount of \$1,009,607 are included in this amount and are not being depreciated.

\*Sewer - Land in the amount of \$9,197 is included in this amount and is not being depreciated.

## Village of Calvin, Louisiana

### NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

Enterprise fund assets are depreciated on the straight-line basis using the following useful lives:

Sewer Plant	40 Years
Water Plant	40 Years
Equipment	5-10 Years

#### GOVERNMENTAL FUND

A summary of governmental fund depreciable assets at June 30, 2013, is as follows:

	Balance 6-30-2012	Additions (Deletions)	Balance 6-30-2013
Fixed Assets*	\$ 196,591	\$ -0-	\$ 196,591
Accumulated Depreciation	(135,616)	(2,165)	(137,781)
<b>Net</b>	<b>\$ 60,975</b>	<b>\$ (2,165)</b>	<b>\$ 58,810</b>

\*This amount includes Land in the amount of \$7,162 that is not being depreciated.

Government fund assets are depreciated on the straight-line basis using the following useful lives:

Equipment	5-10 Years
Buildings & Improvements	40 Years

#### (4) CHANGES IN LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Calvin for the year ended June 30, 2013.

	Water Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ -0-	\$ -0-
Additions	190,500	190,500
Principal Retirements	(6,292)	(6,292)
<b>Total</b>	<b>\$ 184,208</b>	<b>\$ 184,208</b>

Bonds payable at June 30, 2013, are comprised of the following issues:

##### Revenue Bonds

\$109,500 of Water Revenue Bonds due annually in installments of \$9,840.91 starting 02/01/2013 and ending 02/01/27; interest at 4.12%.	\$ 109,500
<b>Total</b>	<b>\$ 109,500</b>

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

The annual requirements to amortize all debt outstanding as of June 30, 2013, including interest payments, are as follows:

<b>Year Ending June 30,</b>	<b>Total</b>
2014	\$ 9,840.91
2015	9,840.91
2016	9,840.91
2017	9,840.91
2018	9,840.91
2019-2023	49,204.55
2024-2027	39,363.64
<b>Total</b>	<b>\$ 137,772.74</b>

**(5) ELECTED OFFICIAL'S SALARIES**

<b>Name</b>	<b>Title</b>	<b>Compensation</b>
Jeff Canerday	Mayor	-0-
Bobby D. Canerday	Alderman	-0-
John Wayne Canerday	Alderman	-0-
Ronald Abels	Alderman	-0-

**(6) USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**(7) RETIREMENT PLANS**

The Village does not offer its employees a retirement plan. All employees are in the social security system.

**Village of Calvin, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
CONTINUED**

**(8) TRANSFERS**

<b>Transfers From/To Other Funds</b>				
<b>Fund</b>	<b>Transfers</b>		<b>Transfers</b>	<b>Total</b>
	<b>In</b>		<b>Out</b>	
General	\$ 48,800	\$	-0-	\$ 48,800
Water	6,360		(34,642)	(28,282)
Sewer	-0-		(20,518)	(20,518)
<b>Total</b>	<u>\$ 55,160</u>	<u>\$</u>	<u>(55,160)</u>	<u>\$ -0-</u>

The transfers to the general fund were made for general expenditures.

**(9) PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment in the amount of \$1,324 was made to correct prepaid insurance in the Village of Calvin's governmental funds while a prior period adjustment in the amount of \$3,294 was made to correct cash in the enterprise funds.

## **Required Supplemental Information**

**Village of Calvin, Louisiana**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2013**

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Fees & Charges	\$ 9,731	\$ 8,394	\$ 8,347	\$ (47)
Taxes	3,495	3,733	3,733	-0-
Other Income	225	-0-	-0-	-0-
<b>TOTAL REVENUES</b>	<u>13,451</u>	<u>12,127</u>	<u>12,080</u>	<u>(47)</u>
<b>EXPENDITURES</b>				
Personnel Expense	24,401	19,107	16,669	2,438
Other Administrative	14,440	19,306	19,427	(121)
Utilities	7,125	7,533	7,616	(83)
Repairs & Maintenance	8,339	8,693	9,096	(403)
<b>TOTAL EXPENDITURES</b>	<u>54,305</u>	<u>54,639</u>	<u>52,808</u>	<u>1,831</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(40,854)</u>	<u>(42,512)</u>	<u>(40,728)</u>	<u>1,784</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	39,769	48,800	48,800	-0-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>39,769</u>	<u>48,800</u>	<u>48,800</u>	<u>-0-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1,085)</u>	<u>\$ 6,288</u>	<u>8,072</u>	<u>\$ 1,784</u>
<b>PRIOR PERIOD ADJUSTMENT</b>			(1,324)	
<b>FUND BALANCES--BEGINNING</b>			(229)	
<b>FUND BALANCES--ENDING</b>			<u>\$ 6,519</u>	

The accompanying notes are an integral part of this statement.

## **Other Reports**



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### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Jeff Canerday, Mayor  
& Members of the Board of Aldermen  
Calvin, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and business type activities of the Village of Calvin, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Village of Calvin's basic financial statements, and have issued our report thereon dated May 16, 2014.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village of Calvin's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Calvin's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Calvin's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. **(2013-I-1 Reconciling Cash With Books; 2013-I-2 Documented Approval of Utility Adjustments; 2013-I-4 Books Not Maintained on Grant and Loan Proceeds and Expenditures).**

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. **(2013-I-3 Small Size of Entity).**

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Calvin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items. **(2013-C-1 Annual Filing of Financial Statements).**

### **Village of Calvin's Response to Findings**

The Village of Calvin's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Calvin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

Jena, Louisiana  
May 16, 2014

**VILLAGE OF CALVIN, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST**

**For the Year Ended June 30, 2013**

We have audited the basic financial statements of the Village of Calvin, Louisiana, as of and for the year ended June 30, 2013, and have issued our report thereon dated May 16, 2014. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2013, resulted in an unmodified report.

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**Section I - Summary of Auditor's Results**

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**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses    ☒ Yes    ☐ No    Other Conditions    ☒ Yes    ☐ No

Compliance

Compliance Material to Financial Statements    ☒ Yes    ☐ No

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses    ☐ Yes    ☐ No    Other Conditions    ☐ Yes    ☐ No

Type of Opinion On Compliance    Unmodified ☐    Qualified ☐  
For Major Programs    Disclaimer ☐    Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes    ☐ No

**c. Identification Of Major Programs:**

**CFDA Number (s)**

**Name Of Federal Program (or Cluster)**

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Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☐ Yes    ☐ No

## VILLAGE OF CALVIN, LOUISIANA

### SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2013

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#### Section II Financial Statement Findings

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##### 2013-I-1 Reconciling Cash With Books (Material Weakness)

**Condition:** The cash per books of the governmental and enterprise funds are not reconciled with cash per bank reconciliations.

**Criteria:** Good internal controls require cash per bank reconciliations to be reconciled to cash per books on a monthly basis.

**Cause of Condition:** Not reconciling cash per books with cash per reconciliations on a monthly basis.

**Effect of Condition:** Material internal control weakness as materially incorrect financial statements can be issued.

**Recommendation:** We recommend that the Village reconcile cash per bank reconciliations to cash per books on a monthly basis.

**Client Response:** The Village will reconcile cash per bank reconciliations to cash per books on a monthly basis.

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##### 2013-I-2 Documented Approval of Utility Adjustments (Material Weakness)

**Condition:** During a review of internal controls, the auditor found there was no documented approval of utility adjustments by the board of aldermen.

**Criteria:** Good internal controls require that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in the minutes of meetings.

**Cause of Condition:** Adjustment of utility accounts without proper documented approval.

**Effect of Condition:** Material weakness in internal controls as utility accounts can be adjusted without authorization.

**Recommendation:** We recommend that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in writing in the minutes of the meeting

## VILLAGE OF CALVIN, LOUISIANA

### SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2013

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#### Section II Financial Statement Findings (continued....)

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**Client Response:** Any and all adjustments to utility accounts will be reviewed and approved by the board of aldermen and such approvals will be documented in writing in the minutes of the meeting.

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##### 2013-I-3 Small Size of Entity (Significant Deficiency)

**Condition:** Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

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##### 2013-I-4 Books Not Maintained on Grant and Loan Proceeds and Expenditures (Material Weakness)

**Condition:** Books were not maintained on capital grant transactions and some bond transactions.

**Criteria:** Accounting books and records must be maintained on all grant and loan transactions to assure that they are included in the yearend financial statements and that the yearend financial statements are accurate.

**Cause of Condition:** Not accounting for grant and loan transactions.

**Effect of Condition:** Materially misstated financial statements.

## VILLAGE OF CALVIN, LOUISIANA

### SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)

For the Year Ended June 30, 2013

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#### Section II Financial Statement Findings (continued....)

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**Recommendation:** We recommend that cash receipt and cash disbursement journals be maintained on all grant and loan transactions. The journal should be reconciled with the bank cash accounts monthly.

**Client Response:** The Village will maintain cash receipt and cash disbursement journals on all grants and loan transactions and reconcile the journals to the bank cash accounts monthly.

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#### 2013-C-1 Annual Filing of Financial Statements

**Condition:** The Village did not file their financial statements with the legislative auditor on a timely basis.

**Criteria:** LSA-RS 24:415, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

**Cause of Condition:** Not having the financial statements completed on time.

**Potential Effect of Condition:** Compliance finding and a freeze on grant funding.

**Recommendation:** The Village should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's end closing.

**Client Response:** The Village will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

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#### Section III Federal Awards Findings and Questioned Costs

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Not Applicable.

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

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#### **2013-I-1 Reconciling Cash With Books (Material Weakness)**

**Finding:** The cash per books of the governmental and enterprise funds are not reconciled with cash per bank reconciliations.

**Corrective Action:** The Village will reconcile cash per bank reconciliations to cash per books on a monthly basis.

**Contact Person:** Jeff Canerday

**Anticipated Completion Date:** June 30, 2014

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#### **2013-I-2 Documented Approval of Utility Adjustments (Material Weakness)**

**Finding:** During a review of internal controls, the auditor found there was no documented approval of utility adjustments by the board of aldermen.

**Corrective Action:** Any and all adjustments to utility accounts will be reviewed and approved by the board of aldermen and such approvals will be documented in writing in the minutes of the meeting.

**Contact Person:** Jeff Canerday

**Anticipated Completion Date:** June 30, 2014

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#### **2013-I-3 Small Size of Entity (Significant Deficiency)**

**Finding:** Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

**Corrective Action:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Contact Person:** Jeff Canerday

**Anticipated Completion Date:** June 30, 2014

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS (CONTINUED....)

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#### **2013-I-4 Books Not Maintained on Grant and Loan Proceeds and Expenditures (Material Weakness)**

***Finding:*** Books were not maintained on capital grant transactions and some bond transactions.

***Corrective Action:*** The Village will maintain cash receipt and cash disbursement journals on all grant and loan transactions and reconcile the journals to the bank cash accounts monthly.

***Contact Person:*** Jeff Canerday

***Anticipated Completion Date:*** June 30, 2014

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#### **2013-C-1 Annual Filing of Financial Statements**

***Finding:*** The Village did not file their financial statements with the legislative auditor on a timely basis.

***Corrective Action:*** The Village will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

***Contact Person:*** Jeff Canerday

***Anticipated Completion Date:*** June 30, 2014



## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Village of Calvin, Louisiana has provided the following action summaries relating to management letter findings brought to their attention as a result of their financial compilation for the year ended June 30, 2012.

#### **PRIOR YEAR FINDINGS**

##### **2012-I-1 Reconciling Cash With Books (Unresolved)**

**Condition:** The cash per books of the governmental and enterprise funds are not reconciled with cash per bank reconciliations.

**Criteria:** Good internal controls require cash per bank reconciliations to be reconciled to cash per books on a monthly basis.

**Cause of Condition:** Not reconciling cash per books with cash per reconciliations on a monthly basis.

**Effect of Condition:** Material internal control weakness as materially incorrect financial statements can be issued.

**Recommendation:** We recommend that the Village reconcile cash per bank reconciliations to cash per books on a monthly basis.

**Client Response:** The Village will reconcile cash per bank reconciliations to cash per books on a monthly basis.

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##### **2012-I-2 Documented Approval of Utility Adjustments (Unresolved)**

**Condition:** During a review of internal controls, the auditor found there was no documented approval of utility adjustments by the board of aldermen. The auditor also found that of \$22,893 in annual sewer billings, \$18,010 was collected, a \$4,884 difference and \$59,473 in annual water billings, \$55,473 was collected, a \$4,038 difference.

**Criteria:** Good internal controls require that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in the minutes of meetings.

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS (CONTINUED...)

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**Cause of Condition:** Adjustment of utility accounts without proper approval.

**Effect of Condition:** Material weakness in internal controls as utility accounts can be adjusted without authorization.

**Recommendation:** We recommend that any and all adjustments to utility accounts be reviewed and approved by the board of aldermen and that such approval be documented in writing in the minutes of the meeting

**Client Response:** Any and all adjustments to utility accounts will be reviewed and approved by the board of aldermen and such approvals will be documented in writing in the minutes of the meeting.

---

#### 2012-I-3 Small Size of Entity (Unresolved)

**Condition:** Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

## VILLAGE OF CALVIN, LOUISIANA

### MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS (CONTINUED...)

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#### 2012-C-1 Adequate Documentation of Expenditures (Resolved)

**Condition:** In a testing of a random sample of expenditures, the auditor found that 4 expenditures or 13% of items tested lacked adequate documentation and one check lacked dual signatures.

**Criteria:** All government expenditures should be supported with documentation that describes the expenditure and the business's purpose. They are also required to be signed by two authorized employees.

**Cause of Condition:** Misplacement and/or loss of documents.

**Effect of Condition:** Compliance violation

**Recommendation:** All expenditures should be adequately documented as to the reason and business purpose of the expenditure. All checks should be signed by two authorized personnel.

**Client Response:** The administration will document all expenditures as to the reason and business purpose of the expenditure and have each check signed by two authorized personnel.

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#### 2012-C-2 Fund Balance Deficit (Resolved)

**Condition:** The general fund of the Village ended the year with a deficit fund balance of \$229.

**Criteria:** A deficit fund balance indicates that the fund has more current liabilities than the fund can service.

**Cause of Condition:** Lack of revenues or too much expenditure.

**Effect of Condition:** Inability to pay current obligations

**Recommendation:** The Village should raise revenue, cut expenditures or transfer sufficient cash from the Village's other funds to eliminate the deficit.

**Client Response:** The Village will raise revenue, cut expenditures or transfer sufficient cash from other funds to eliminate the deficit.

